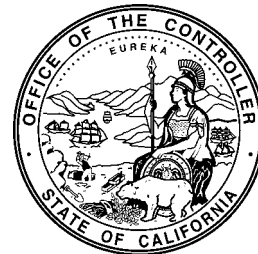


Steve Westly California State Controller



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FOR IMMEDIATE RELEASE

STATE CONTROLLER STEVE WESTLY TO AUDIT TUMULTUOUS CITY OF SOUTH GATE

Sacramento, March 10, 2003 – California State Controller Steve Westly today launched an audit of the City of South Gate. The review was requested by City Treasurer Rudy Navarro on behalf of the city council.

"The City of South Gate has called upon my office to audit actions of the former city council, which led to a significant decrease in the city's reserve funds," said Westly. "My auditors will conduct a procedural review to determine whether the City of South Gate followed its own guidelines and regulations."

"The South Gate City Council thanks the Controller's Office for taking this important action," said new Mayor Hector De La Torre. "We must identify any illegal or irregular activity and be proactive in addressing those issues. The Controller's audit is the first step in repairing any damage."

South Gate has recently been plagued by political turmoil including the recall of four city council members. The new leadership has called for the audit to address legal costs, compliance with contracting and hiring procedures and a raffle in which a free house was given away by the city.

"My aim in this process is to make certain that taxpayer funds have not been used improperly," said Westly. "We endeavor to help the people of South Gate regain confidence in the financial stability of their city."

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